



State Board of Equalization

News Release

Chairman Jerome E. Horton

4th District – Los Angeles

Cynthia Bridges
Executive Director
www.boe.ca.gov

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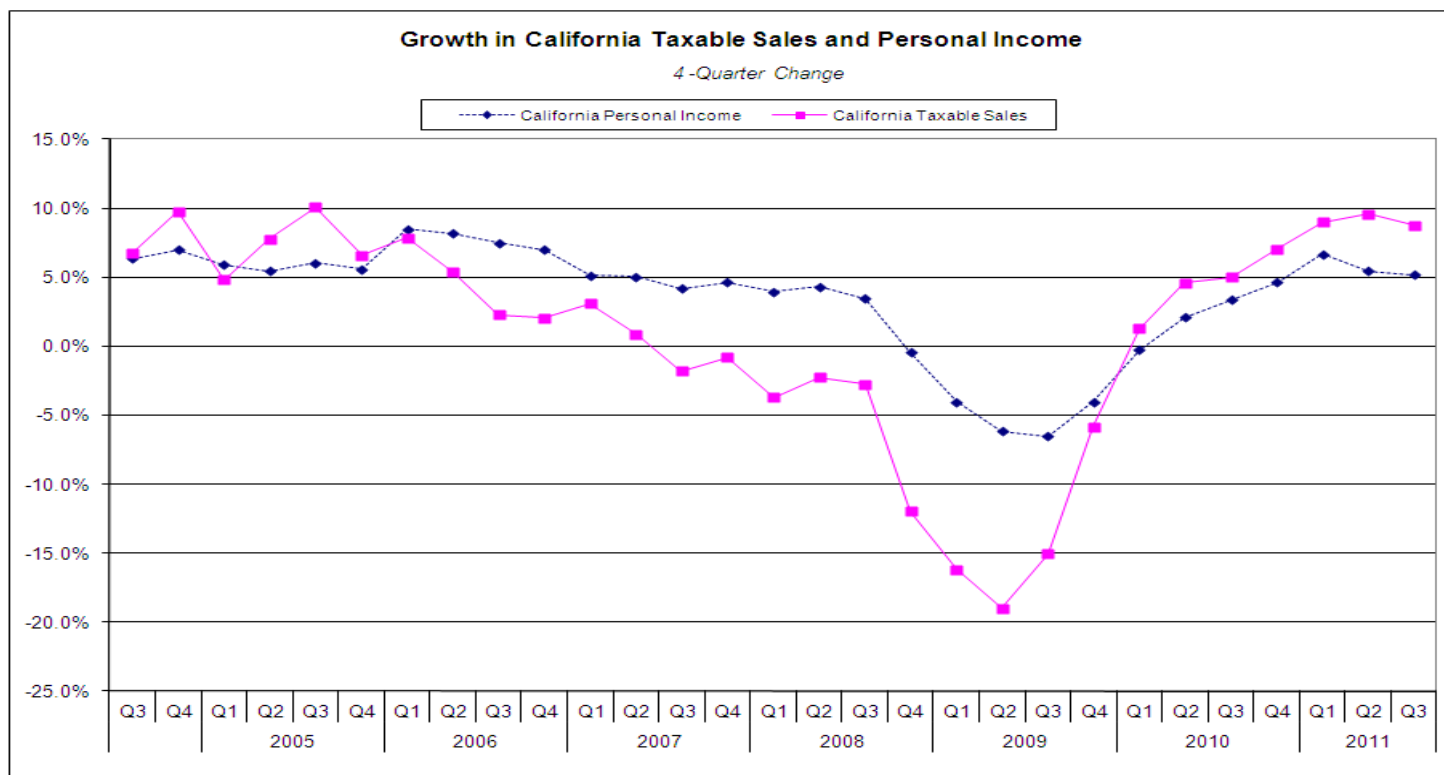
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Taxable Sales in Los Angeles Up More than 9 Percent from Prior Year Statewide Taxable Sales Grow Nearly 9 Percent in Third Quarter 2011

Sacramento – Sales of taxable items in Los Angeles' city limits grew 9.2% in the third quarter of 2011 from the same time in 2010, announced Jerome E. Horton, Chairman of the California State Board of Equalization. BOE data for the same time frame shows taxable sales throughout the rest of Los Angeles County rose 8.1%.

Based on cash receipts, BOE estimates the statewide taxable sales for the third quarter of 2012 are 6.2 percent higher than in the third quarter of 2011.

Statewide BOE data from actual third quarter 2011 and 2010 receipts shows 8.8 percent growth (\$10.6 billion). Sales for this time period grew 3.6 percent faster than personal income (see chart below).



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Retail outlets accounted for 67.6 percent of the total sales in the third quarter of 2011, with nonretail outlets making up the remaining 32.4 percent. Clothing and accessory store sales grew 10.1%, with mail-order and Internet purchases growing 12.1 percent. Motor vehicle dealer sales increased 11.1 percent. A 23.5 percent spike in gasoline prices was responsible for taxable sales rising 20.1 percent at gas stations. Gasoline consumption during the third quarter of 2011 dropped 2.0 percent.

“Growing awareness of use tax owed on purchases where sales tax isn’t charged is helping to level the playing field for legitimate California retailers,” said Chairman. Horton. “It’s absolutely critical that the state step up efforts for capturing sales tax and other revenue lost to criminals operating in the underground economy.”

California’s underground economy deprives the state of \$8 billion in state taxes annually through a spectrum of illegal activities, including the sales of counterfeit goods like “knock off” designer items, offering and paying for services under the table, the exploitation of victims of human trafficking, and smuggling goods into California without paying the required taxes.

[Taxable Sales in California](#) is a quarterly data report by the BOE on retail sales activity in California, as measured by transactions subject to sales and use tax. The report includes figures about statewide [taxable sales by type of business](#), as well as statistics about taxable sales in all California [cities](#) and [counties](#).

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Elected in 2010, Chairman Jerome E. Horton is the Fourth District Member of the California State Board of Equalization, representing more than 8.5 million residents in Los Angeles County. He is also the Board of Equalization’s Legislative Committee Chairman. He is the first to serve on the Board of Equalization with over 21 years of experience at the BOE. Horton previously served as an Assembly Member of the California State Assembly from 2000-2006.

The five-member California State Board of Equalization is a publicly elected tax board. The Board of Equalization collects more than \$53.7 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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